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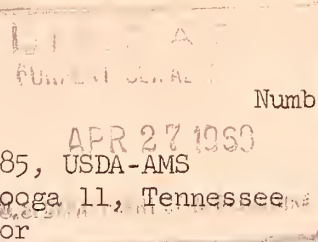
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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
March 1960

Volume 4

Number 8

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator



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MARKET SUMMARY-MARCH 1960

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. Pool plants for milk testing 4.0% are: Base Milk \$5.18, Excess Milk \$3.15. The butter-fat differential is 7.4 cents for each one-tenth of one percent above or below 4.0%.

During March 92.8% of the total producer milk was priced in Class I at \$5.25 per cwt. with a butterfat differential of 7.5 cents and 7.2% was priced in Class II at \$3.19 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 93.5% and 76.8% respectively. Base milk was 95.0% and excess milk was 5.0% of the total producer deliveries. All excess milk and 2.3% base milk was priced in Class II and 97.7% of base milk was priced in Class I.

The daily average deliveries of producer milk during March decreased 5.6% compared with February and decreased 2.8% compared with March 1959. The daily average use of Class I milk decreased 0.3% compared with February and increased 9.8% compared with March 1959. The daily average base delivered was 88.5% of the established base.

MILK SAMPLES TESTED - Composite 116, Fresh 5,235, Finished Products 242, Scales 2.

PRODUCER CLASSIFICATION BY TYPE OF DELIVERY AND DAILY AVERAGE POUNDS PER FARM BY MILKSHED COUNTIES - DECEMBER 1959

State and County	TANK DELIVERY			CAN DELIVERY			TOTAL DELIVERY		
	Av. Lbs.	No. Prod.	Av. Per Farm	Av. Lbs.	No. Prod.	Av. Per Farm	Av. Lbs.	Total Prod.	Av. Per Farm
<u>TENNESSEE</u>									
Bledsoe	7,819	16	489	719	3	240	8,538	19	449
Bradley	43,208	72	489	34,828	81	435	78,036	153	510
Cumberland	2,452	4	613	-	-	-	2,452	4	613
Franklin	15,298	24	637	-	-	-	15,298	24	637
Hamilton	27,331	35	781	13,631	23	593	40,962	58	706
Loudon	-	-	-	3,872	8	484	3,872	8	484
Marion	8,287	16	518	4,979	13	383	13,266	29	457
McMinn	86,233	149	587	9,611	21	419	95,844	170	564
Meigs	21,285	43	495	803	1	803	22,088	44	502
Monroe	20,763	30	692	690	2	345	21,453	32	670
Polk	13,467	13	1,036	3,197	9	355	16,664	22	757
Rhea	10,775	19	567	1,781	8	223	12,556	27	465
Sequatchie	9,703	11	882	5,970	17	351	15,673	28	560
<u>GEORGIA</u>									
Catoosa	19,263	25	771	4,538	7	648	23,801	32	744
Walker 1/	26,136	35	747	492	1	492	26,628	36	740
<u>ALABAMA</u>									
DeKalb	5,544	12	462	79	1	79	5,623	13	433
Jackson	5,843	11	531	495	3	165	6,338	14	453
TOTAL MARKET	323,407	515	628	85,685	198	433	409,092	713	574

1/ Includes one producer in Fannin County Georgia

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	Mar. '60	Feb. '60	Mar. '59
Number of Plants (Pool and Non-Pool)	19	19	20
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	68,949	79,314	178,668
Producer Milk - Bulk Tank	319,714	332,497	221,234
Total Producer Milk Pounds	388,663	411,811	399,902
% March '60 compared with:	100.0	94.4	97.2
Other Source Milk Pounds	7,625	12,183	7,240
Other Order Milk Pounds	15,799	4,190	27,626
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>412,087</u>	<u>428,184</u>	<u>434,768</u>
% March '60 compared with:	100.0	96.2	94.8
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	298,210	301,394	276,990
Buttermilk	39,851	40,709	36,950
Chocolate Milk	7,064	7,042	6,524
Fluid Skim	11,764	11,687	7,577
Fluid Creams	2,418	2,339	2,174
Bulk to Non-Handlers	8,623	942	1,696
Class I Shrinkage	1,434	3,207	697
Inventory Reclassification	(3,253)	(823)	(112)
Overstated Sales	(890)	-	-
Total Class I Milk	365,221	366,497	332,496
% March '60 compared with	100.0	99.7	109.8
Class II Milk Pounds (Used to Produce)			
Butter	5,408	5,815	2,973
Cottage Cheese	14,538	13,861	14,909
Powdered and Condensed Milk	1,668	21,506	43,192
Ice Cream	12,072	13,738	23,310
Inventory Variation	2,641	(2,069)	8,022
Other	10,539	8,836	9,866
Total Class II Milk	46,866	61,687	102,272
% March '60 compared with:	100.0	76.0	45.8
<u>TOTAL UTILIZATION CL. I AND CL. II MILK LBS.</u>	<u>412,087</u>	<u>428,184</u>	<u>434,768</u>
Gross Class I Packaged Units-Pounds (Daily)	359,307	363,171	330,215
% March '60 compared with:	100.0	98.9	108.8
% Delivered Base of Gross Class I	101.1	-	109.9
% Delivered Base priced in Class I	97.7	-	82.6
% Producer Milk Priced in Class I	92.8	87.4	75.5

APRIL 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Apr. '60	Mar. '60	Apr. '59
Basic Formula (See page 4)	\$3.47	\$3.48	\$3.37
Plus (\$ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.18	0.02	.00
Class I Price, 4.0% Butterfat	\$5.40	\$5.25	\$5.12

Per \$ 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: February and March
Supply: Lbs. Producer Milk (Feb. 11,942,528 and Mar. 12,048,536) 23,991,064
Demand: Lbs. Net Class I Milk (Feb. 10,542,442 and Mar. 11,297,462) 21,839,904
Utilization Percentage: Producer milk divided by Class I 110
Standard Utilization Percentage: Range 119 - 123 119
Net Deviation Percentage: Utilization minus Standard Utilization minus 9
Supply-Demand Adjustment: 2 cents x 9 percentage points plus \$0.18
Since the supply in relation to the demand is less than the desired standard, the price is increased 18 cents per hundredweight (2 cents x 9 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR MARCH 1960
Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		11,321,858	3.647		
Less Other Source		141,185	1.910		
Producer Milk Class I	92.8	11,180,673	3.668670	\$5.001503	\$559,201.70
Gross Class II		1,452,838	9.289		
Less Other Source		584,975	1.847		
Producer Milk Class II	7.2	867,863	14.305368	10.094597	87,607.27
TOTAL PROD. (Cl. I + Cl. II)	100.0	12,048,536	4.434838		646,808.97
Add Compensatory Payment Value					320.60
Add Overage Value					1,544.63
Add Inventory Reclassification Value					1,736.45
Add $\frac{1}{2}$ Prod.-Settlement Fund Reserve					5,216.62
TOTAL VALUE AT TEST		12,048,536	4.434838		655,627.27
Less Test Over 4% @ 7.4¢ per point		12,048,536	.434838	0.321780	38,769.78
TOTAL PRODUCER MILK VALUE AT 4% TEST		12,048,536	4.0		616,857.49
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		607,782	\$3.19	\$19,388.25	
Total Excess Producer Milk		607,782	3.19	19,388.25	
Less Prod.-Settlement Fund Res. @ 4¢		607,782	.04		243.12
UNIFORM EXCESS PRICE f.o.b. PLANT - 4%		607,782	3.15		19,145.13
Value of Base Milk (Total less Excess)		11,440,754	5.222289		597,469.24
Less Producer-Settlement Fund Reserve		11,440,754	.042289		4,838.18
UNIFORM BASE PRICE f.o.b. PLANT - 4%		11,440,754	\$5.18		\$592,631.06

MARCH 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE		TEST %	PRICE		TEST %	PRICE	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0%	\$4.44	\$2.41	4.0%	\$5.18	\$3.15	5.0%	\$5.92	\$3.89
3.05	4.477	2.447	4.05	5.217	3.187	5.05	5.957	3.927
3.1	4.514	2.484	4.1	5.254	3.224	5.1	5.994	3.964
3.15	4.551	2.521	4.15	5.291	3.261	5.15	6.031	4.001
3.2	4.588	2.558	4.2	5.328	3.298	5.2	6.068	4.038
3.25	4.625	2.595	4.25	5.365	3.335	5.25	6.105	4.075
3.3	4.662	2.632	4.3	5.402	3.372	5.3	6.142	4.112
3.35	4.699	2.669	4.35	5.439	3.409	5.35	6.179	4.149
3.4	4.736	2.706	4.4	5.476	3.446	5.4	6.216	4.186
3.45	4.773	2.743	4.45	5.513	3.483	5.45	6.253	4.223
3.5	4.81	2.78	4.5	5.55	3.52	5.5	6.29	4.26
3.55	4.847	2.817	4.55	5.587	3.557	5.55	6.327	4.297
3.6	4.884	2.854	4.6	5.624	3.594	5.6	6.364	4.334
3.65	4.921	2.891	4.65	5.661	3.631	5.65	6.401	4.371
3.7	4.958	2.928	4.7	5.698	3.668	5.7	6.438	4.408
3.75	4.995	2.965	4.75	5.735	3.705	5.75	6.475	4.445
3.8	5.032	3.002	4.8	5.772	3.742	5.8	6.512	4.482
3.85	5.069	3.039	4.85	5.809	3.779	5.85	6.549	4.519
3.9	5.106	3.076	4.9	5.846	3.816	5.9	6.586	4.556
3.95	5.143	3.113	4.95	5.883	3.853	5.95	6.623	4.593

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Mar. '59	\$4.67 ^{2/}	\$4.82	\$3.11	7.2¢	\$5.21	7.5¢	\$3.15	6.6¢
Apr.	4.49 ^{2/}	4.74	3.04	7.2	5.12	7.5	3.08	6.7
May	4.36 ^{2/}	4.59	2.99	7.2	4.97	7.5	3.03	6.7
June	4.46 ^{2/}	4.67	2.99	7.2	5.05	7.5	3.03	6.7
July	4.61 ^{2/}	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sep.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan. '60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	5.07 ^{2/}	5.18	3.15	7.4	5.25	7.5	3.19	6.7
Apr.	-	-	-	-	5.40	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter 4	Tenn Milk Mfg	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk Mfg	
Mar. '59	3.014	57.750	12.720	31.750	3.37	3.14	3.33	3.15	3.37
Apr.	2.952	57.840	12.615	31.596	3.31	3.14	3.34	3.08	3.34
May	2.918	57.905	12.800	31.100	3.28	3.14	3.34	3.03	3.34
June	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sep.	3.013	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS ^{3/}				Gross Repts.	Number of Hdlr.Prod.		Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Repts.	Base Repts.		Hdlr.	Prod.	Prod.	Base	Exc.	
Mar. '59	332,496	301,741	399,902	365,270	434,768	20	749	534	488	46	4.27
Apr.	341,167	310,039	443,890	376,828	480,157	19	743	597	507	90	4.15
May	329,182	299,433	433,519	370,297	469,576	19	742	584	499	85	4.12
June	320,140	290,413	404,243	354,261	440,588	19	738	548	480	68	4.11
July	331,541	301,520	390,727	343,678	427,610	19	729	536	471	65	4.10
Aug.	342,026	311,661	411,167	-	447,707	19	742	554	-	-	4.07
Sep.	393,150	362,439	438,703	-	475,704	19	732	599	-	-	4.13
Oct.	386,834	374,206	415,133	-	436,128	19	721	576	-	-	4.30
Nov.	361,367	350,101	411,180	-	430,087	19	716	574	-	-	4.46
Dec.	353,291	348,611	409,092	-	424,180	19	713	574	-	-	4.45
Jan. '60	356,702	352,740	418,024	-	428,067	19	713	586	-	-	4.41
Feb.	366,497	359,974	411,811	-	428,184	19	704	585	-	-	4.39
Mar.	365,221	360,667	388,663	369,057	412,087	19	701	554	526	28	4.43

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I; Excess is Producer minus Base